(b) The wage revision of the employees of Namrup Unit is linked to its segregation from HFC and its incorporation into a separate entity which will depend on the decision of the Government on the rehabilitation proposal of HFC and thereafter the sanction of the BIFR.

Average Cost of Feed Stock for Urea Manufacturers

2182. SHRI DILIP SINGH JUDEV:

SHRI BRATIN SENGUPTA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details regarding the average cost of feed stock per million BTU for urea manufactured in the fertilizer exporting countries;

(b) whether average cost of feed stock per million BTU in fertilizer exporting countries is lower than the cost incurred by domestic manufacturers; and

(c) if so, what steps Government are taking to make feed stock at globally competitive rates to domestic manufactures?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) While average cost of feed stock per million BTU for urea manufactured in fertilizer exporting countries differ from country to country and the pricing details are not available, the energy cost in India for production of fertilizer is higher than that in the fertilizer exporting countries. It is estimated that energy cost in countries exporting fertilizer to India is around US $ 1 or even less per million BTU, which in India is as high as US $ 7 to 8 in case of naphtha based indigenous production while it is two to three times more in case of indigenous gas based units. While natural gas is a non-tradable commodity in international market, naptha, which is another major feedstock for the fertilizer sector, can be imported freely. Public sector oil companies under the administrative control of Ministry of Petroleum & Natural Gas as well as private sector companies are taking steps to set up projects with a view to promote

availability of Liquified Natural Gas (LNG) in the country which is expected to be a cheaper and preferred feed stock in comparison to naphtha. The core group of fertilizer sector companies has also been directed to work on a detailed feasibility report for setting up of an integrated chain of LNG supply in the country.

Capital Cost of Oman Fertilizer Project

2183. SHRI DILIP SINGH JUDEV:
SHRI BRATIN SENGUPTA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the current estimated capital cost of the Oman Fertilizer Project;

(b) the estimated landed cost of urea from the Oman Project, at current rates of exchange; and

(c) the weighted average retention price of domestic gas-based urea manufacturers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) The estimated capital cost of the revised and restructured Oman India Fertilizer Project is US$ 969 million.

(b) The 15 year average long term price at which GOI will be purchasing urea from the Oman Project is US$ 113.7 per MT. Estimated freight, handling, bagging etc. charges are around US$ 34 per MT. The landed price at an exchange rate of Rs. 45 per US$ works out to Rs. 6647 per MT.

(c) The weighted average retention price of gas based units as on 1.4.2000 was Rs. 6270 per MT of urea.